

FY 2008-09 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

Section Title: FACILITIES FUND

Section/Index No: 687202

| Sub-Object No. and Title | Adopted 2007-08 | Requested 2008-09 | Difference | Percent Change |
|--------------------------|--------------------|----------------------|------------|-------------------|
|--------------------------|--------------------|----------------------|------------|-------------------|

REVENUES:

USE OF MONEY

| | | | | |
|-------------------------------------|--------------------|--------------------|--------------------|---------------|
| 1700 Interest on Pooled Cash | \$35,625 | \$8,000 | (\$27,625) | (77.54%) |
| 1801 Rent - Real Estate | 2,772,914 | 4,093,636 | 1,320,722 | 47.63% |
| <i>Subtotal Use of Money</i> | \$2,808,539 | \$4,101,636 | \$1,293,097 | 46.04% |

ADMINISTRATIVE CONTROL ACCOUNT

| | | | | |
|---|------------|-------------|-------------|------------|
| 4200 ENT - LTD Proceeds | \$0 | \$6,600,000 | \$6,600,000 | N/A |
| 4209 ENT - LTD Proceeds - Clearing | 0 | (6,600,000) | (6,600,000) | N/A |
| <i>Subtotal Administrative Control</i> | \$0 | \$0 | \$0 | N/A |

| | | | | |
|-----------------------|--------------------|--------------------|--------------------|---------------|
| TOTAL REVENUES | \$2,808,539 | \$4,101,636 | \$1,293,097 | 46.04% |
|-----------------------|--------------------|--------------------|--------------------|---------------|

EXPENDITURES:

SERVICES AND SUPPLIES

| | | | | |
|--|------------------|--------------------|------------------|---------------|
| 6040 Communications | \$60,000 | \$40,000 | (\$20,000) | (33.33%) |
| 6085 Janitorial Services | 118,000 | 118,000 | 0 | 0.00% |
| 6180 Maintenance - Buildings | 372,000 | 230,000 | (142,000) | (38.17%) |
| 6190 Landscape Service | 30,000 | 35,000 | 5,000 | 16.67% |
| 6500 Professional / Spec Svcs | 0 | 300,000 | 300,000 | N/A |
| 6522 District Services | 100,000 | 5,000 | (95,000) | (95.00%) |
| 6523 District Operations | 0 | 350,000 | 350,000 | N/A |
| 6570 Consultant Services | 0 | 0 | 0 | N/A |
| 7206 Equipment Usage Charge | 23,000 | 23,000 | 0 | 0.00% |
| 7320 Utilities | 150,000 | 70,000 | (80,000) | (53.33%) |
| <i>Subtotal Services and Supplies</i> | \$853,000 | \$1,171,000 | \$318,000 | 37.28% |

OTHER CHARGES

| | | | | |
|--------------------------------------|--------------------|--------------------|------------------|---------------|
| 7920 Interest | \$425,808 | \$720,066 | \$294,258 | 69.11% |
| 7980 Depreciation | 738,000 | 758,000 | 20,000 | 2.71% |
| <i>Subtotal Other Charges</i> | \$1,163,808 | \$1,478,066 | \$314,258 | 27.00% |

SUMMARY OF REVENUES AND EXPENDITURES

Index No.: 687202

| Sub-Object No. and Title | Adopted 2007-08 | Requested 2008-09 | Difference | Percent Change |
|---|--------------------|----------------------|--------------------|-------------------|
| <u>FIXED ASSETS</u> | | | | |
| 8510 Buildings/Improvements | \$240,000 | \$9,100,000 | \$8,860,000 | 3691.67% |
| <i>Subtotal Fixed Assets</i> | \$240,000 | \$9,100,000 | \$8,860,000 | 3691.67% |
| <u>ADMIN CONTROL</u> | | | | |
| 9200 ENT - Principal | \$516,106 | \$944,570 | \$428,464 | 83.02% |
| 9209 ENT - Principal Clearing | (516,106) | (944,570) | (428,464) | 83.02% |
| <i>Subtotal Admin Control</i> | \$0 | \$0 | \$0 | N/A |
| TOTAL EXPENDITURES | \$2,256,808 | \$11,749,066 | \$9,492,258 | 420.61% |
| TOTAL NET COST <i>(Expenditures Minus Revenues)</i> | (\$551,731) | \$7,647,430 | \$8,199,161 | (1486.08%) |

FY 2008-09 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Internal Service Fund

Section Title: Facilities Fund

Character: Use of Money and Property

Character No.: 687202-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the Agency by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

| | |
|---|-----------|
| Estimated Average Cash Balance | \$200,000 |
| Projected Interest Rate | 4.00% |
| Projected/Planned Interest on Pooled Cash | \$8,000 |

1801 Rent - Real Estate

This account records the rental income received for the Agency's General Fund for use of Agency Administrative, Flood Control, and Operations and Maintenance facilities and maintenance facilities at the Airport treatment plant. Rental income will be maintained at a level sufficient to cover facilities operations and maintenance costs, debt service, and depreciation. Revenue has increased due to repayment of new loan.

Character Title: Administrative Control Account

Character No.: 687202-42

4200 ENT - LTD Proceeds

This account records the proceeds from a loan to purchase a new O&M facility, construct a fleet center, and design and construct a bio-diesel facility.

4209 ENT - LTD Proceeds - Clearing

This is the clearing account for sub-object 4200.

Character Title: Services and Supplies

Character No.: 687202-60

6040 Communications

PCAS No. Various

This item covers costs for the telephone system repairs.

6085 Janitorial Services

PCAS No. 516

This item is requested to provide funds for custodial services for the Agency's Administration building, O&M Center and Airport treatment plant.

6180 Maintenance - Buildings

PCAS No. 516

Maintenance - Buildings covers all maintenance costs of the Agency's administrative office complex and the maintenance building at the Airport treatment plant.

6190 Landscape Service

PCAS No. 516

Landscape Service covers the cost of grounds and landscape maintenance at the administrative complex.

6500 Professional / Spec Svcs

PCAS No. TBD

This item is requested to provide funds for the cost of the moving expenses to the new O&M facility.

FY 2008-09 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Internal Service Fund
Section Title: Facilities Fund

Character Title: Services and Supplies (continued) **Character No.:** 687202-60

6522 District Services

PCAS No. Various

This accounts records the service and supply type items associated with operations and maintenance of facilities.

6523 District Operations

PCAS No. Various

This item is requested to provide funds to charge salary and benefits for staff. assigned to projects that deal with the Administration building at 404 Aviation Blvd.

7206 Equipment Usage Charge

PCAS No. Various

This item is requested to provide funds for equipment usage.

7320 Utilities

PCAS No. 516

This item includes the costs of gas, electric, and water at the Agency's College Avenue complex and the maintenance building at the Airport treatment plant. Budget reduction is due to the Aviation complex generating it's own power.

Character Title: Other Charges

Character No.: 687202-75

7920 Interest

This account reflects the interest expense on the loan to purchase the new Administrative facility in the Airport Business Park, the purchase of the O&M facility, and the capital lease for the Photovoltaic project.

7980 Depreciation

This item is requested to provide appropriations for depreciation of the Agency's Administrative Offices and the maintenance facilities at the Airport treatment plant. No cash expenditure of funds is made.

Character: Fixed Assets

Character No.: 687202-85

8510 Buildings/Improvements

This item is requested to provide appropriations to purchase a New O&M facility, as well as, tenant improvements (\$6,500,000), construction of a fleet center at the Airport treatment plant (\$1,500,000) and design and construction of a bio-diesel facility (\$1,100,000). To proceed fund balance will be used and a loan will need to be acquired.

FY 2008-09 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Internal Service Fund
Section Title: Facilities Fund

Character Title: Administrative Control Account **Character No.:** 687202-92

9200 Ent - Principal

This account reflects the principal payments due on the outstanding loan for the purchase of the new Administrative facility in the Airport Business Park. Payments began on April 15, 2004 and will continue semi-annually until April 2016. The principal payment is based on the loan amortization schedule.

The following reflects the principal payment history to date:

| | |
|---|--------------------|
| Original Amount of the Loan: | \$ 8,800,000 |
| Total FY 03-04 through FY 06-07 Principal Payments: | (1,296,645) |
| FY 07-08 Principal Payment: | <u>(\$410,432)</u> |
| Outstanding Loan Amount | \$7,092,923 |

This account reflects the principal expense for the capital lease. Payments began on October 1, 2005 and will continue semi-annually until April 1, 2020. The request for the forthcoming fiscal year is based on the rental payment schedule.

The following reflects the principal payment history to date:

| | |
|---|-----------------|
| Original Amount of the Capital Lease: | \$2,000,000 |
| Total FY 05-06 through FY 06-07 Principal Payments: | (329,576) |
| FY 07-08 Principal Payment: | <u>(96,790)</u> |
| Outstanding Loan Amount | \$1,573,634 |

This account reflects the principal payments due on the outstanding loan for the purchase and improvements of the new O&M facility in the Airport Business Park, construction of a fleet center at the Airport treatment plant and design and construction of a bio-diesel facility. Payments began on July 1, 2008 and will continue semi-annually until July 2020. The principal payment is based on the loan amortization schedule.

The following reflects the principal payment history to date:

| | |
|------------------------------|-------------|
| Original Amount of the Loan: | \$6,600,000 |
|------------------------------|-------------|

9209 Ent - Principal Clearing

This is the clearing account for sub-object 9200, Ent - Principal.

FY 2008-09 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Internal Service Fund
Section: Facilities Fund
Index No.: 687202

| DESCRIPTION OF FUND ACTIVITY | Actual FY 06-07 | Estimated FY 07-08 | Requested FY 08-09 |
|---|----------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Fund Balance Available for Budgeting (See Detailed Components Below) | (\$1,091,926) | \$1,973,091 | \$2,408,352 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase fund balance | \$5,183,164 | \$2,893,910 | \$4,101,636 |
| Expenditures - (Decrease) fund balance | (\$2,025,280) | (\$2,819,185) | (\$11,749,066) |
| Net Surplus or Deficit - Increase/(Decrease) to fund balance | \$3,157,884 | \$74,725 | (\$7,647,430) |
| Adjustments to Reserves/Encumbrances: | | | |
| Outstanding Encumbrance - Net Change | (9,187) | 125,915 | - |
| 9200 Enterprise - Principal-Capital Lease | (493,026) | (507,222) | (\$944,570) |
| Transfer Interest Payable from Acquisition Fund | (21,847) | - | - |
| Capital Interest | (102,290) | - | - |
| Long Term Debt Proceeds | - | - | 6,600,000 |
| Increase in Capital Lease Payable | (115,229) | - | - |
| 7980 Depreciation | 648,712 | 741,843 | 758,000 |
| Net Adjustment - Increase/(Decrease) to Fund Balance | (\$92,867) | \$360,536 | \$6,413,430 |
| Undesignated/Unreserved <u>ENDING</u> Fund Balance Available for Budgeting | \$1,973,091 | \$2,408,352 | \$1,174,352 |
| Total Increase/(Decrease) in Fund Balance for Fiscal Year (Difference between Beginning and Ending Balance) | \$3,065,017 | \$435,261 | (\$1,234,000) |
| <u>Fund Balance Components at Beginning of FY</u> | 7/1/06 | 7/1/07 | |
| Cash | \$52,526 | \$2,762,701 | |
| Prepaid Expense | 12,660 | 8,446 | |
| Accounts Payable | (394,479) | (71,529) | |
| Retention Payable | (177,426) | 0 | |
| Interest Payable | (76,486) | (93,390) | |
| Capital Lease Payable | (391,993) | (507,222) | |
| Encumbrances | (116,728) | (125,915) | |
| Total Beginning Fund Balance | (\$1,091,926) | \$1,973,091 | |